

# Annual report including audited financial statements as at 30th September 2016

## **AGCM Fund**

Investment Fund (F.C.P.), Luxembourg

R.C.S. Luxembourg K1



Management Company: SEB Fund Services S.A.  
R.C.S. Luxembourg B 44 726

#### Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

**AGCM Fund**

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## AGCM Fund

### Organisation

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#### Management Company

SEB Fund Services S.A.  
4, rue Peternelchen  
L-2370 Howald

#### Board of Directors of the Management Company

##### Chairman

Gustaf UNGER  
Head of Investor Services, Transaction Banking  
Skandinaviska Enskilda Banken AB (publ), Sweden

##### Directors

Göran FORS  
Head of Sales and Market Development  
Asset Servicing  
Skandinaviska Enskilda Banken AB (publ), Sweden

Marie JUHLIN  
Managing Director  
SEB Fund Services S.A., Luxembourg  
(since 29th March 2016)

Jonas LINDGREN  
Client Executive, Hedge Fund Coverage  
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST  
Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg

Magnus WALLBERG  
Deputy Managing Director, CFO/ COO  
Skandinaviska Enskilda Banken S.A., Luxembourg  
(until 29th March 2016)

#### Custodian Bank

Skandinaviska Enskilda Banken S.A.  
4, rue Peternelchen  
L-2370 Howald

#### Central Administration Agent

SEB Fund Services S.A.  
4, rue Peternelchen  
L-2370 Howald

#### Sub-Administrator, Registrar and Transfer Agent

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg

## **AGCM Fund**

### **Organisation (continued)**

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**Investment Manager**

Asia Growth Capital Management AB  
Strandvägen 5A  
SE-114 51 Stockholm

**Auditor**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

**Paying Agent**

**In Sweden**

Skandinaviska Enskilda Banken AB (publ)  
Rissneleden 110  
SE-106 40 Stockholm

**In Luxembourg**

Skandinaviska Enskilda Banken S.A.  
4, rue Peternelchen  
L-2370 Howald

**Global Distributor**

SEB Fund Services S.A.  
4, rue Peternelchen  
L-2370 Howald

## AGCM Fund

### General information

AGCM Fund (the "Fund") is a mutual investment fund organised as an umbrella FCP ("*Fonds Commun de Placement*") and governed by Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment. The Fund is set up in accordance with General Management Regulations signed in Luxembourg on 17th September 2014.

The Directive 2014/ 91/ EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/ 65/ EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

A notice of the deposit of the General Management Regulations was published on 20th September 2014 in the "*Mémorial, Recueil des Sociétés et Associations*" (the "*Mémorial*"). The Management Regulations are deposited with the *Registre de Commerce et des Sociétés*.

On 1st June 2016, the Luxembourg Memorial C has been replaced by RESA (*Recueil Electronique des Sociétés et Associations*), the new official electronic platform of central publication regarding companies and associations. Publications made after 1<sup>st</sup> June 2016 are available on this new platform accessible through the website of the RCS.

AGCM Fund is managed on behalf of the unitholders by SEB Fund Services S.A. (the "Management Company"). SEB Fund Services S.A. was incorporated for an unlimited period on 2nd August 1993 in the form of a "*société anonyme*" in Luxembourg under the name of "SEB Lux Advisory Company S.A.". It has been transformed into a Management Company and changed the name with effect on 22nd October 2004. The Management Company is governed by Chapter 15 of the amended Law 2010.

The Management Company has its registered office in Luxembourg at 4, rue Peternelchen, L-2370 Howald. The articles of association of the Management Company were published in the "*Mémorial*" as of 16th November 2004. The last amendment of the articles was published on 28th August 2014.

At the date of the present report, the following Sub-Fund is offered to investors:

- AGCM Fund - Asia Growth Sub-Fund

The Sub-Fund has been launched on 3rd October 2014.

The investment objective of AGCM Fund - Asia Growth Sub-Fund is to achieve long-term capital appreciation by investing in companies in Asia.

AGCM Fund - Asia Growth Sub-Fund may invest in equity or equity-related securities of companies domiciled in Asia (including but not limited to China, Hong Kong, Taiwan, South Korea, Singapore, India, Indonesia, Malaysia, Thailand, the Philippines, Vietnam, Laos, Cambodia and Myanmar). AGCM Fund - Asia Growth Sub-Fund invests in particular in companies that in the opinion of the Investment Manager are expected to have sustainable growth in revenues and earnings. AGCM Fund - Asia Growth Sub-Fund does normally not invest in companies domiciled in Japan.

The following unit classes are currently available for subscription:

- Class I Units are available for subscription and are reserved to Institutional Investors;
- Class R and Class P Units are available for subscription to all investors.

All Classes of Units are available as Capitalisation Units (C and W) or Distributing Units (D).

## AGCM Fund

### General information (continued)

At the date of the present report, the following Classes of Units are issued:

Name of the Class of Units	Currency	Launch date
ID SEK	SEK	3rd March 2015
PC SEK	SEK	12th November 2015
RC SEK	SEK	3rd October 2014
RC EUR	EUR	23rd March 2015
RC USD	USD	25th February 2016
WP EUR	EUR	20th January 2015

The Net Asset Value of each Class of Units of the Sub-Fund is calculated as of each business day in Luxembourg (the "Valuation Day"), except for 24th December in each year. The Fund's currency is the Swedish Krona (SEK).

The Fund's reporting period begins on 1st October and ends on 30th September of each year. The Fund publishes an annual report drawn up as per 30th September and a semi-annual report as per 31st March.

These reports, as well as the Net Asset Value per unit, the sales prospectus, the Management Regulations and all information concerning the Fund are available for the unitholders at the registered office of the Management Company and the Global Distributor.

## **AGCM Fund**

### **Report from the Investment Manager**

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#### Market Review

AGCM Fund - Asia Growth Sub-Fund began its second fiscal year on 1st October 2015 with a strong first month. The China economic hard-landing scenarios that prevailed among global investors during the summer and early fall of 2015 proved overly pessimistic. Instead of the feared hard-landing, China delivered a series of positive economic data points during the Q4 of 2015 which surprised many investors and the sentiment toward Chinese equities improved. The positive data points were followed by ambitious action plans communicated by the leaders in Beijing in conjunction with the new economic five year plan. The plan included reformation of China's state-owned enterprises in order to make them more efficient and profitable. Progress was also made in the efforts to internationalize the yuan and have it included by the IMF as a reserve currency. China's internet giants Alibaba and Baidu reported very strong numbers during Q4 which contributed to the strong share price performance among the internet sector holdings, a large exposure for the fund. In early 2016, markets globally fell sharply due to a combination of fears about the falling oil price, central bank policies and the state of China's economy. The fund had its lowest NAV in mid-February and recovered during March. After a soft April, the fund began trending up from mid-May and continued a long uptrend to the end of the fund's fiscal year on 30th September helped by a renewed interest in emerging markets in general.

#### Performance review

AGCM Fund - Asia Growth Sub-Fund increased by 28.17% from 1st October 2015 to 30th September 2016 for the main share class AGCM Fund - Asia Growth Sub-Fund RC SEK. The key positive contributors to the return of the Sub-Fund during the fiscal year were the holdings within the Chinese internet sectors, mainly Tencent, Alibaba, JD.com, Netease as well as from the South Korean search engine Naver. The weakest performers in the fund during the fiscal year were the Chinese real estate developers and Chinese PC-manufacturer Lenovo which continues to increase its global dominance but in the process sacrificing margins and profits in the short term. The share price of Chinese telecom infrastructure supplier ZTE took a severe hit after the US government imposed sanctions on the company for not complying with export restriction rules to third-party countries blacklisted by the US.



## **AGCM Fund**

### **Report from the Investment Manager (continued)**

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#### Market outlook

After an approximately five-year long period of relative underperformance by the Asia ex-Japan equity universe compared to the major equity indices in Europe such as the Eurostoxx50 index and the US S&P500 index, the Asia ex-Japan benchmark began to outperform. Since March 2016, this trend continued only with a few interruptions to the end of the Sub-Fund's fiscal year. Valuations of financial assets such as bonds and equities as well as real estate have for several years now been strongly impacted by the low interest rate environment and the quantitative easing programs employed by the major central banks such as the Federal Reserve, the European Central Bank and the Bank of Japan. There appears to be a growing concern among many financial market participants that a normalization of interest rates back to higher levels will be difficult without unsettling the bond and equity markets. We share these concerns but we have a relatively more positive outlook for China which we find to have a more advantageous macro-economic backdrop with a large trade surplus, a large currency reserve, a high economic growth rate, and a currency exchange rate over which its central bank has a high degree of control. According to the IMF, Asia will account for two-thirds of the global economic growth in the coming four years. We believe that the relatively higher economic growth rate in Asia in the coming years will contribute to a growing interest in Asian equities going forward.

Luxembourg, 21st October 2016

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.



## **Audit Report**

To the Unitholders of  
**AGCM Fund**

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We have audited the accompanying financial statements of AGCM Fund, which comprise the statement of net assets and the statement of investments and other net assets as at 30th September 2016 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the Management Company for the financial statements*

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.



**Audit Report (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of AGCM Fund as of 30th September 2016, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

*Other matters*

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 12th January 2017

A handwritten signature in blue ink, appearing to read 'TB', with a long horizontal flourish extending to the right.

Thierry Blondeau

## AGCM Fund

### Combined statement of net assets (in SEK)

as at 30th September 2016

#### Assets

Securities portfolio at market value	726,042,461.61
Cash at banks	65,729,647.32
Formation expenses, net	325,738.75
Receivable on issues of units	72,481.90
Income receivable on portfolio	459,666.53
Unrealised gain on forward foreign exchange contracts	392,238.25
Prepaid expenses	15,052.53
Total assets	793,037,286.89

#### Liabilities

Payable on purchases of securities	8,266,573.21
Payable on redemptions of units	34,294.19
Expenses payable	2,544,532.69
Total liabilities	10,845,400.09
Net assets at the end of the year	782,191,886.80

The accompanying notes are an integral part of these financial statements.

## AGCM Fund

### Combined statement of operations and other changes in net assets (in SEK) from 1st October 2015 to 30th September 2016

#### Income

Dividends, net	13,774,313.68
Interest on bank accounts	179.75
Total income	13,774,493.43

#### Expenses

Management fees	11,188,529.42
Performance fees	884,911.78
Custodian fees	246,282.29
Banking charges and other fees	10,709.14
Transaction fees	2,115,090.50
Central administration costs	636,058.55
Professional fees	157,947.94
Other administration costs	260,945.14
Subscription duty ("taxe d'abonnement")	329,336.62
Interest paid on bank overdrafts	31,727.35
Other expenses	98,721.26
Total expenses	15,960,259.99

Net investment loss	-2,185,766.56
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#### Net realised gain/(loss)

- on securities portfolio	-3,186,802.46
- on forward foreign exchange contracts	4,824,737.09
- on foreign exchange	1,283,158.97
Realised result	735,327.04

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	154,473,765.64
- on forward foreign exchange contracts	392,238.25
Result of operations	155,601,330.93

Subscriptions	295,100,494.78
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Redemptions	-194,214,327.74
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Total changes in net assets	256,487,497.97
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Total net assets at the beginning of the year	525,704,388.83
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Total net assets at the end of the year	782,191,886.80
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The accompanying notes are an integral part of these financial statements.

## AGCM Fund - Asia Growth Sub-Fund

### Statement of net assets (in SEK)

as at 30th September 2016

#### Assets

Securities portfolio at market value	726,042,461.61
Cash at banks	65,729,647.32
Formation expenses, net	325,738.75
Receivable on issues of units	72,481.90
Income receivable on portfolio	459,666.53
Unrealised gain on forward foreign exchange contracts	392,238.25
Prepaid expenses	15,052.53
Total assets	793,037,286.89

#### Liabilities

Payable on purchases of securities	8,266,573.21
Payable on redemptions of units	34,294.19
Expenses payable	2,544,532.69
Total liabilities	10,845,400.09
Net assets at the end of the year	782,191,886.80

Number of Class ID SEK units outstanding	230,166.634
Net asset value per Class ID SEK unit	103.73
Number of Class PC SEK units outstanding	1,298,747.906
Net asset value per Class PC SEK unit	108.79
Number of Class RC EUR units outstanding	529.234
Net asset value per Class RC EUR unit	EUR 97.65
Number of Class RC SEK units outstanding	4,431,721.622
Net asset value per Class RC SEK unit	120.56
Number of Class RC USD units outstanding	9,599.097
Net asset value per Class RC USD unit	USD 126.76
Number of Class WP EUR units outstanding	69,405.727
Net asset value per Class WP EUR unit	EUR 107.47

The accompanying notes are an integral part of these financial statements.

## AGCM Fund - Asia Growth Sub-Fund

### Statement of operations and other changes in net assets (in SEK) from 1st October 2015 to 30th September 2016

#### **Income**

Dividends, net	13,774,313.68
Interest on bank accounts	179.75
Total income	13,774,493.43

#### **Expenses**

Management fees	11,188,529.42
Performance fees	884,911.78
Custodian fees	246,282.29
Banking charges and other fees	10,709.14
Transaction fees	2,115,090.50
Central administration costs	636,058.55
Professional fees	157,947.94
Other administration costs	260,945.14
Subscription duty ("taxe d'abonnement")	329,336.62
Interest paid on bank overdrafts	31,727.35
Other expenses	98,721.26
Total expenses	15,960,259.99

Net investment loss	-2,185,766.56
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#### **Net realised gain/(loss)**

- on securities portfolio	-3,186,802.46
- on forward foreign exchange contracts	4,824,737.09
- on foreign exchange	1,283,158.97
Realised result	735,327.04

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	154,473,765.64
- on forward foreign exchange contracts	392,238.25
Result of operations	155,601,330.93

Subscriptions	295,100,494.78
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Redemptions	-194,214,327.74
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Total changes in net assets	256,487,497.97
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Total net assets at the beginning of the year	525,704,388.83
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Total net assets at the end of the year	782,191,886.80
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The accompanying notes are an integral part of these financial statements.

## AGCM Fund - Asia Growth Sub-Fund

### Statistical information (in SEK)

as at 30th September 2016

<b>Total net assets</b>	
- as at 30.09.2016	782,191,886.80
- as at 30.09.2015	525,704,388.83
<b>Number of Class ID SEK units</b>	
- outstanding at the beginning of the year	230,166.634
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	230,166.634
<b>Net asset value per Class ID SEK unit</b>	
- as at 30.09.2016	103.73
- as at 30.09.2015	80.90
<b>Number of Class PC SEK units</b>	
- outstanding at the beginning of the year	0.000
- issued	1,298,747.906
- redeemed	0.000
- outstanding at the end of the year	1,298,747.906
<b>Net asset value per Class PC SEK unit</b>	
- as at 30.09.2016	108.79
- as at 30.09.2015	-
<b>Number of Class RC EUR units</b>	
- outstanding at the beginning of the year	319.836
- issued	311.738
- redeemed	-102.340
- outstanding at the end of the year	529.234
<b>Net asset value per Class RC EUR unit</b>	
- as at 30.09.2016	EUR 97.65
- as at 30.09.2015	EUR 78.38
<b>Number of Class RC SEK units</b>	
- outstanding at the beginning of the year	4,764,484.906
- issued	1,430,059.906
- redeemed	-1,762,823.190
- outstanding at the end of the year	4,431,721.622
<b>Net asset value per Class RC SEK unit</b>	
- as at 30.09.2016	120.56
- as at 30.09.2015	94.06
<b>Number of Class RC USD units</b>	
- outstanding at the beginning of the year	0.000
- issued	9,599.097
- redeemed	0.000
- outstanding at the end of the year	9,599.097
<b>Net asset value per Class RC USD unit</b>	
- as at 30.09.2016	USD 126.76
- as at 30.09.2015	-

The accompanying notes are an integral part of these financial statements.



## AGCM Fund - Asia Growth Sub-Fund

### Statistical information (in SEK) (continued)

as at 30th September 2016

<b>Number of Class WP EUR units</b>	
- outstanding at the beginning of the year	73,612.074
- issued	0.000
- redeemed	-4,206.347
<hr/>	<hr/>
- outstanding at the end of the year	69,405.727
 <b>Net asset value per Class WP EUR unit</b>	
- as at 30.09.2016	EUR 107.47
- as at 30.09.2015	EUR 85.17

The accompanying notes are an integral part of these financial statements.

## AGCM Fund - Asia Growth Sub-Fund

### Statement of investments and other net assets (in SEK) as at 30th September 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
HKD	2,500,000	Belle Intl Hgs Ltd	21,078,920.77	14,689,007.13	1.88
HKD	4,600,000	China Construction Bank Corp H	27,709,473.96	29,212,348.77	3.73
HKD	500,000	China Intl Capital Co Ltd Reg S H Ser 144A	6,209,259.90	5,853,514.12	0.75
HKD	300,000	China Mobile Ltd	31,873,572.35	31,095,413.22	3.97
HKD	1,200,000	China Overseas Land & Inv Ltd	29,928,903.80	34,856,019.93	4.46
HKD	1,100,000	China Resources Land Ltd	23,928,459.36	26,241,414.24	3.35
HKD	20,000	Citic Securities Co Ltd H	398,202.95	363,580.54	0.05
HKD	600,000	Guangzhou Automobile Gr Co Ltd H	7,142,460.44	6,606,739.90	0.84
HKD	5,500,000	Industr & Cial Bk of China Ltd H	29,290,345.37	29,460,847.01	3.77
HKD	5,800,000	Lenovo Group Ltd	48,417,586.36	32,925,464.71	4.21
HKD	600,000	Shanghai Pharmaceuti Hg Co Ltd H	11,962,282.72	13,849,635.30	1.77
HKD	150,000	Sinopharm Group Co Ltd H	4,714,734.07	6,171,039.65	0.79
HKD	1,200,000	Skyworth Digital Hgs Ltd	6,899,670.82	7,395,307.65	0.95
HKD	280,000	Tencent Holdings Ltd	43,039,274.18	65,868,600.40	8.42
HKD	2,400,000	ZTE Corp H	32,114,270.53	29,899,308.35	3.82
			324,707,417.58	334,488,240.92	42.76
IDR	2,700,000	Bank Mandiri (PT) Tbk	17,624,625.23	19,847,612.74	2.54
IDR	2,000,000	Bank Rakyat Indonesia (PT) Tbk	13,866,835.50	16,014,608.16	2.05
			31,491,460.73	35,862,220.90	4.59
KRW	1,000	Amorepacific Corp (New)	2,862,806.00	3,023,825.99	0.39
KRW	13,000	Hyundai Motor Co Ltd	16,494,459.28	13,692,723.61	1.75
KRW	50,000	Kia Motors Corp	17,205,083.02	16,382,296.35	2.09
KRW	55,000	KT Corp	13,516,365.80	13,638,310.29	1.74
KRW	9,000	NAVER Corp	42,166,685.22	61,774,666.23	7.90
KRW	1,200	Samsung Electronics Co Ltd	14,297,401.70	14,906,140.68	1.91
			106,542,801.02	123,417,963.15	15.78
SGD	200,000	DBS Group Holdings Ltd	21,348,540.46	19,339,719.99	2.47
TWD	7,000	Largan Precision Co Ltd	6,846,186.76	7,242,952.67	0.93
USD	55,000	Alibaba Group Holding Ltd ADR repr 1 Share	37,355,991.45	49,840,260.97	6.37
USD	13,000	Baidu Inc ADR repr 0.1 Share A	20,945,539.91	20,274,714.42	2.59
USD	30,000	Ctrip.Com Intl Ltd ADR Repr 1/ 8 Shares	10,757,727.15	11,967,418.92	1.53
USD	120,000	JD.com Inc spons ADR repr 2 Shares A	25,710,875.71	26,818,119.78	3.43
USD	16,000	Netease Inc ADR Repr 1 Share	23,133,854.76	32,999,958.51	4.22
USD	110,000	Taiwan Semiconduct Mfg Co Ltd ADR repr 5 Shares	22,176,338.14	28,823,396.98	3.68
USD	20,000	Tata Motors Ltd spons ADR repr 5 Shares	8,051,809.50	6,849,293.66	0.88
USD	100,000	Vipshop Holdings Ltd spons ADR repr 2 Shares	10,318,661.82	12,566,175.33	1.61
USD	10,000	Yum! Brands Inc	5,741,633.86	7,778,693.81	0.99
			164,192,432.30	197,918,032.38	25.30
<b>Total shares</b>			<b>655,128,838.85</b>	<b>718,269,130.01</b>	<b>91.83</b>

The accompanying notes are an integral part of these financial statements.

## AGCM Fund - Asia Growth Sub-Fund

### Statement of investments and other net assets (in SEK) (continued) as at 30th September 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Shares</b>					
KRW	10,000	Com2uS Corp	8,166,154.87	7,773,331.60	0.99
<b>Total shares</b>			8,166,154.87	7,773,331.60	0.99
Total investments in securities			663,294,993.72	726,042,461.61	92.82
Cash at banks				65,729,647.32	8.40
Other net assets/ (liabilities)				-9,580,222.13	-1.22
Total				782,191,886.80	100.00

The accompanying notes are an integral part of these financial statements.

## AGCM Fund - Asia Growth Sub-Fund

### Industrial and geographical classification of investments as at 30th September 2016

#### Industrial classification

(in percentage of net assets)

Software and services	30.49 %
Banks	12.09 %
Technology hardware and equipment	8.03 %
Real estate	7.81 %
Telecommunication services	5.71 %
Semiconductors and semiconductor equipment	5.59 %
Automobiles and components	5.56 %
Retailing	5.04 %
Consumer durables and apparel	3.76 %
Diversified financial services	3.27 %
Pharmaceuticals and biotechnology	2.56 %
Hotels, restaurants and leisure	2.52 %
Household and personal products	0.39 %
Total	<u>92.82 %</u>

#### Geographical classification

(by domicile of the issuer)  
(in percentage of net assets)

Cayman Islands	29.18 %
China	19.74 %
South Korea	16.77 %
Hong Kong	13.59 %
Taiwan	4.61 %
Indonesia	4.59 %
Singapore	2.47 %
United States of America	0.99 %
India	0.88 %
Total	<u>92.82 %</u>

**Notes to the financial statements**

as at 30th September 2016

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**Note 1 - Significant accounting policies**

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation

- 1) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there are several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 2) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 3) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued as aforesaid, and not yet received is deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.
- 4) The liquidating value of futures, forward and options contracts (or any other derivative instruments) not traded on Regulated Markets or stock exchanges mean their net liquidating value determined, pursuant to the policies established in good faith by the Board of Directors of the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts (or any other derivative instruments) traded on Regulated Markets or stock exchanges is based upon the last available settlement prices of these contracts on Regulated Markets or stock exchanges on which the particular futures, forward or options contracts (or any other derivative instruments) are traded by the Fund, provided that if a futures, forward or options contracts (or any other derivative instruments) could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract is such value as the Board of Directors of the Management Company may deem fair and reasonable.

c) Net realised gain/ (loss) on sales of securities

The net realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold.

## AGCM Fund

### Notes to the financial statements (continued)

as at 30th September 2016

#### d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

#### e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

At the date of the report, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1038630	EUR	Euro
			0.9054390	HKD	Hong Kong Dollar
			1,523.6089298	IDR	Indonesian Rupiah
			128.6449687	KRW	South Korean Won
			0.1591543	SGD	Singapore Dollar
			3.6532063	TWD	New Taiwan Dollar
			0.1167420	USD	US Dollar
			4.0462765	THB	Thai Baht

#### f) Combined financial statements

The combined financial statements of the Fund are expressed in SEK and are equal to the corresponding captions in the financial statements of the Sub-Fund.

#### g) Formation expenses

Expenses incurred in connection with the establishment of the Fund and the creation of the Sub-Funds are amortised over a period of five years. Each Class of units is charged with all costs and expenses directly attributable to it. Any costs, which are not attributable to a Class of units, are charged in proportion to their assets.

The amortization of formation expenses is included in the caption "Other expenses" in the statement of operations and other changes in net assets.

#### h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

#### i) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at prevailing market rates for the remaining period from valuation day to the maturity of the contracts. Unrealised gain/ (loss) is recorded in the statements of net assets. Net variation of the unrealised gain/ (loss) and the net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

## AGCM Fund

### Notes to the financial statements (continued)

as at 30th September 2016

#### j) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees and redemption fees incurred by the Fund relating to purchases or sales of securities, of fees relating to liquidation of transactions paid to the Depositary.

#### **Note 2 - Subscription, redemption and conversion fee**

No subscription, no redemption and no conversion fees are applied to the Sub-Fund.

#### **Note 3 - Management fee**

The Management Company receives an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% p.a. of the net assets of the Sub-Fund, subject to an annual minimum of EUR 25,000.

In addition, the Sub-Fund pays to the Management Company a fixed fee of maximum EUR 12,000 p.a. in connection with the risk management and compliance monitoring.

The Investment Manager receives the following investment management fees per annum of the net assets of the Sub-Fund, accrued daily and payable monthly in arrears:

<b>Class of Units</b>	<b>Investment management fee</b>
ID SEK	1.85% p.a.
PC SEK	1.50% p.a.
RC SEK	1.85% p.a.
RC EUR	1.85% p.a.
RC USD	1.85% p.a.
WP EUR	0.60% p.a.

These fees are recorded under the caption "Management fees" in the statement of operations and other changes in net assets.

#### **Note 4 - Performance fee**

In addition to the investment management fee, a performance fee is calculated and charges as follows for the PC SEK Unit class, as specified in the table below and in accordance with the principles outlined below.

Performance Fee Mechanism	Relative Benchmark
Performance Fee Calculation Period	annually
Performance Fee Benchmark	MXASJ
Performance Fee Rate	20%

## AGCM Fund

### Notes to the financial statements (continued)

as at 30th September 2016

The performance fee is accrued daily based on the outstanding number of Units on the Valuation Day and payable annually based on the outperformance of the Net Asset Value per Unit versus the benchmark during the calculation period. Outperformance can also occur in periods where both the benchmark and the Net Asset Value per Unit decrease.

Further and in addition to the investment management fee, a performance fee is calculated and charged as follows for the WP EUR Unit class, as specified in the table below and in accordance with the principles outlined below.

Performance Fee Mechanism	High Water Mark
Performance Fee Calculation Period	yearly
Performance Fee Benchmark	EUR003M + 5% annual rate
Performance Fee Rate	20%

The performance fee is accrued daily based on the outstanding number of Units on the Valuation Day and payable yearly (as per the last business day of the calendar year) based on the performance of the Net Asset Value per Unit above the benchmark during the calculation period. Should no performance fee be payable at the end of the calculation period, the calculation period is extended to the end of the next calendar year. High Water Mark principle applies. The High Water Mark is the greater of the Net Asset Value per Unit at the time of issue and the highest Net Asset Value per Unit achieved as at the end of any previous Calculation Period where performance fee was paid.

In the event that an investor redeems Units prior to the end of the calculation period, any accrued but unpaid performance fee relating to those Unit classes is crystallised and paid to the Investment Manager at the last Valuation Day of the calculation period.

At the date of the report, a performance fee was recorded for the Sub-Fund and amounted to SEK 884,911.78.

#### **Note 5 - Central administration costs**

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of EUR 25,000 p.a. plus a variable fee of maximum 0.04% p.a. which is payable monthly in arrears out of the Sub-Fund's assets.

The Central Administration Agent is further more entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent function a further fee in accordance with Luxembourg customary banking practice.

#### **Note 6 - Custodian Fees**

The Custodian is entitled to receive a supervisory fee of 0.0125%. This is calculated monthly on the net asset value and is payable monthly in arrears out of the Sub-Fund's assets. Furthermore, the custody fee is understood to be an annual percentage, calculated per market, monthly on the assets under Custody and payable monthly in arrears out of the assets of the Sub-Fund.



## AGCM Fund

### Notes to the financial statements (continued)

as at 30th September 2016

#### **Note 7 - Subscription duty ("taxe d'abonnement")**

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of the Sub-Fund on the last day of each quarter.

The rate of this tax is reduced to 0.01% of the value of the net assets for Compartments or Classes of Unit reserved for Institutional Investors.

According to Article 175 (a) of the amended Law of 17th December 2010, the net assets invested in Undertakings for Collective Investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

#### **Note 8 - Forward foreign exchange contracts**

As at 30th September 2016, the Fund was committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken S.A. in Luxembourg:

##### **AGCM Fund - Asia Growth Sub-Fund**

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
SEK	187,816,000.00	HKD	170,000,000.00	31.10.2016	266,733.79
SEK	68,560,000.00	USD	8,000,000.00	31.10.2016	125,504.46
					<u>392,238.25</u>

#### **Note 9 - Swing pricing**

Under certain circumstances (for example, large volumes of deals) investment and/ or disinvestment costs may have an adverse effect on the Unitholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Management Company has the authority to allow for the Net Asset Value per Unit to be adjusted by effective dealing and other costs and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund if the net capital activity exceeds, as a consequence of the sum of all subscriptions, redemptions or conversions in such a Sub-Fund, such threshold percentage (the "Threshold") as may be determined from time to time by the Management Company, of the Sub-Fund's total net assets on a given Valuation Day.

Description of the swing pricing procedure:

If the net capital activity for a given Valuation Day leads to a net inflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Management Company but will not exceed 2% of the relevant Net Asset Value.

If the net capital activity for a given Valuation Day leads to a net outflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted downwards by the swing factor that shall

## **AGCM Fund**

### **Notes to the financial statements (continued)**

as at 30th September 2016

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be determined from time to time by the Management Company but will not exceed 2% of the relevant Net Asset Value.

There was no "Swing Pricing" applied for the Net Asset Value as at 30th September 2016 for the Sub-Fund.

#### **Note 10 - Changes in investments**

The statement of changes in investment portfolio for the period covered by the report is available free of charge upon request at the registered office of the Management Company of the Fund.

## AGCM Fund

### Additional Information (unaudited)

as at 30th September 2016

#### **Note 1 : Risk management**

As required by Circular CSSF 11/ 512, the Board of Directors needs to determine and monitor the global risk exposure of the Fund either by applying the commitment approach or the VaR approach. In terms of risk management, the Board of Directors of the Management Company decided to adopt the commitment approach as a method of determining the global exposure.

#### **Note 2 : Remuneration disclosure**

SEB Fund Services S.A. (SEB) as Management Company has implemented a Remuneration policy that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with unitholders' expectations.

In SEB, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and also related to the individual's performance.

SEB provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

The amount below represents the proportion of the total remuneration on calendar year 2015 and adjusted according to the number of full time employees during the year 2015 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM/ Management Company whose actions have a material impact on the risk profile of the funds). This amount is further proportioned to the total net asset value of each fund, taking into account UCITS and non-UCITS.

	TNA as of 31 <sup>st</sup> December 2015*	% of total TNA managed by Management Company/AIFM	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
AGCM FUND	74,076,079.42	0.73%	13,098.00	4,020.48	252.31	53.78	17.58

\* All amounts are in euro

Fixed Remuneration (incl. fixed salary, allowances, pension)

Variable Remuneration (incl. "short term incentives and long term incentives")

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